



Chemoil Energy Limited
Annual Report 2009

The Next Wave Forward

Shaping The Future

Through our robust strategy for growth, we have driven yet another wave of change.

Just as the ocean waves polish and shape the pebbles on its seabed over time, so the waves of change that Chemoil instigates year on year polish our foundations and the capabilities of our people, and subsequently shape our future.

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Steering change

We steer positive change through a focused strategy for long-term growth, driven by our expansion into new markets, acquisition and development of physical infrastructure, and the delivery of innovative new products, along with the development of strong strategic alliances with global partners.



Company Profile - Global Network

Our global presence and substantial share of the marine fuel supply market is the result of our focused strategy to continue to drive change for growth.



Chemoil has established a notable history for driving change, adapting to market conditions, and responding to opportunities for expansion and growth.

As a leading integrated physical supplier of marine fuel products, we have operations and service centers in the world's largest bunkering markets.

We steer positive change through a focused strategy for long-term growth, driven by our expansion into new markets, acquisition and development of physical infrastructure to strengthen our supply chain, and the delivery of innovative new products, along with the development of strong strategic alliances with global partners.

Company Profile - Global Network

Strategic alliances with carefully selected partners are a key component of our strategy for growth. This has enabled us to expand into new markets and fortify our logistics capabilities.



Europe

Markets

We continue to expand into key marine fuel markets globally to increase our footprint and provide our customers with consistent, reliable supply around the world.

We have a physical presence in the world's top three oil product ports in Singapore, Rotterdam and Fujairah as well as strategic locations in Los Angeles, New York, Houston, New Orleans, Balboa, Cristobal, Gulf of Mexico, and Mundra.

Our recent expansion into the Indian market has allowed us to tap on opportunities within this rapidly developing region.

Supply Chain

We provide single supplier convenience to the world's leading international shipping companies engaged in container, tanker and bulk carrier trades. By managing the entire supply chain, we provide customers competitive pricing, access to specialized products, customized term



Americas



Asia / Middle East

Strategic Alliances

A key component of our strategy for growth is our strategic alliances with carefully selected global partners.

This strategic partnership approach has enabled us to expand into new markets and fortify our logistics capabilities. Our partnership approach not only allows us to share the risks and rewards when going into new ventures, it has also been successful in diversifying our business and improving the quality of our income.

This is evident throughout Chemoil's history, wherein our allying with strategic shareholders and joint venture partners has delivered significant milestones of growth for us.

contracts and a fully integrated delivery service. Our terminal assets present consistent recurrent income and a balance to the marine fuel business volatility.

Products

We offer a broad range of products to meet our customers' evolving needs. Our blending and sourcing capabilities and our passion for innovation enable us to offer cleaner and environment-friendly fuels to our customers globally.

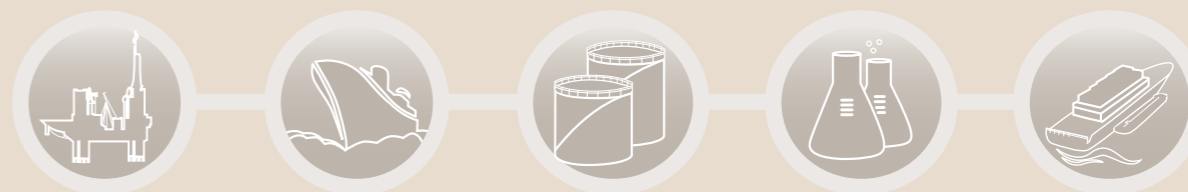


Shaping for growth

We are committed to finding innovative means to offer products that will further ensure sustainability and improvement of the environment.

Company Profile - Total Integration

We provide competitive advantages to our customers through the combined strengths of our complete marine fuel supply chain, delivering seamless connection from sourcing, shipping, storage, and blending through to delivery.



SOURCING SHIPPING STORAGE BLENDING DELIVERY

Chemoil controls the following key stages of the supply chain:

Sourcing
We source our fuels from our wide and trusted pool of oil companies and fuel suppliers.

Shipping
We ship our fuel through owned or chartered vessels.

Storage
Our storage terminals are located at each of our service centers strategically positioned worldwide.

Blending
Our value-added blending services provide fuel customized to our customers' requirements.

Delivery
We deliver our products to our customers through owned or leased barges.

As one of the only marine fuel suppliers to control the entire supply chain, we provide our customers the logistics and pricing convenience of sourcing all their marine fuel needs through a single supplier.

Chemoil adheres strictly to environmental laws and regulations. We are also committed to finding innovative means to offer products that will further ensure sustainability and improvement of the environment. Our blended marine fuels are designed to help our customers comply with new emissions regulations.



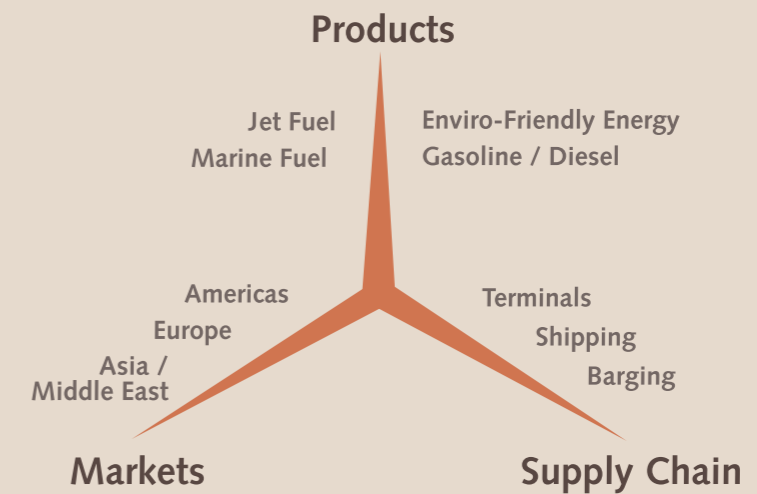


Looking to new horizons

Chemoil's strategy has always been geared toward expansion in terms of global reach, product extension and supply chain optimization.

Company Profile - Robust Strategy

We are about to embark on a new journey of growth, invigorated by a new shareholder and our experience gained through a solid history of positive change.



Chemoil's strategy has always been geared toward expansion in terms of global reach, product extension and supply chain optimization. As we steer toward new horizons, we embark on a journey that will see us expanding on these fronts. We are encouraged by our recent entries into other regions with untapped potential, creating greater synergies within our worldwide network.

We continue to develop our product offerings, constantly seeking ways to reduce our customers' environmental impact through lower carbon emissions with our innovative environment-friendly fuel blends. Leveraging our existing supply chain, we constantly seek out new products that may add value for our customers.

Our supply chain is our strength, and as opportunities arise, we will augment our existing supply chain capabilities to offer added competitive advantage to our customers.

Our people are the foundation upon which Chemoil has risen over the years. We will continue to leverage their capabilities to work together toward sustained growth. The welcomed addition to our crew, Glencore, is a positive move that complements our strategy for change. The added capabilities they bring to the table can only serve to steer us toward horizons of further growth.

Chairman's Letter

Transition & transformation

2009 was a year of challenge, transition, and transformation for Chemoil. There were areas of good performance that showed the resilience of our business model and reaffirmed Chemoil's ability to grow earnings despite difficult conditions. We continued to command a strong presence in the retail marine fuel segment, leading to over 15 million tons of fuel being delivered in the year. And while earnings decreased during the recession year, it is reassuring to note that our balance sheet continues to remain strong, growing to over US\$300 million in shareholder equity.

As a reflection of our diversity, our associates and joint ventures (JVs) added a new dimension to our performance, making meaningful contributions to our results. This was especially reassuring since our approach to growth through strategic alliances will remain an integral part of our future.

Rising to the Challenge

In the midst of a particularly tough global recession, it has been a year of challenges for Chemoil. The prolonged economic depression has negatively impacted the shipping industry, our main client base. The sustained weakness in the global shipping market depressed our selling prices and this has been compounded by higher procurement costs amidst a tighter supply market, particularly in the third quarter of last year.

In most of our ports, the natural margins were eroded as wholesale to retail spreads were at their lowest for many years. While the cyclical and counter-cyclical nature of our diverse global operations in terms of location, business

lines, and asset base has yielded varying returns globally, we operate on a stable and profitable platform overall.

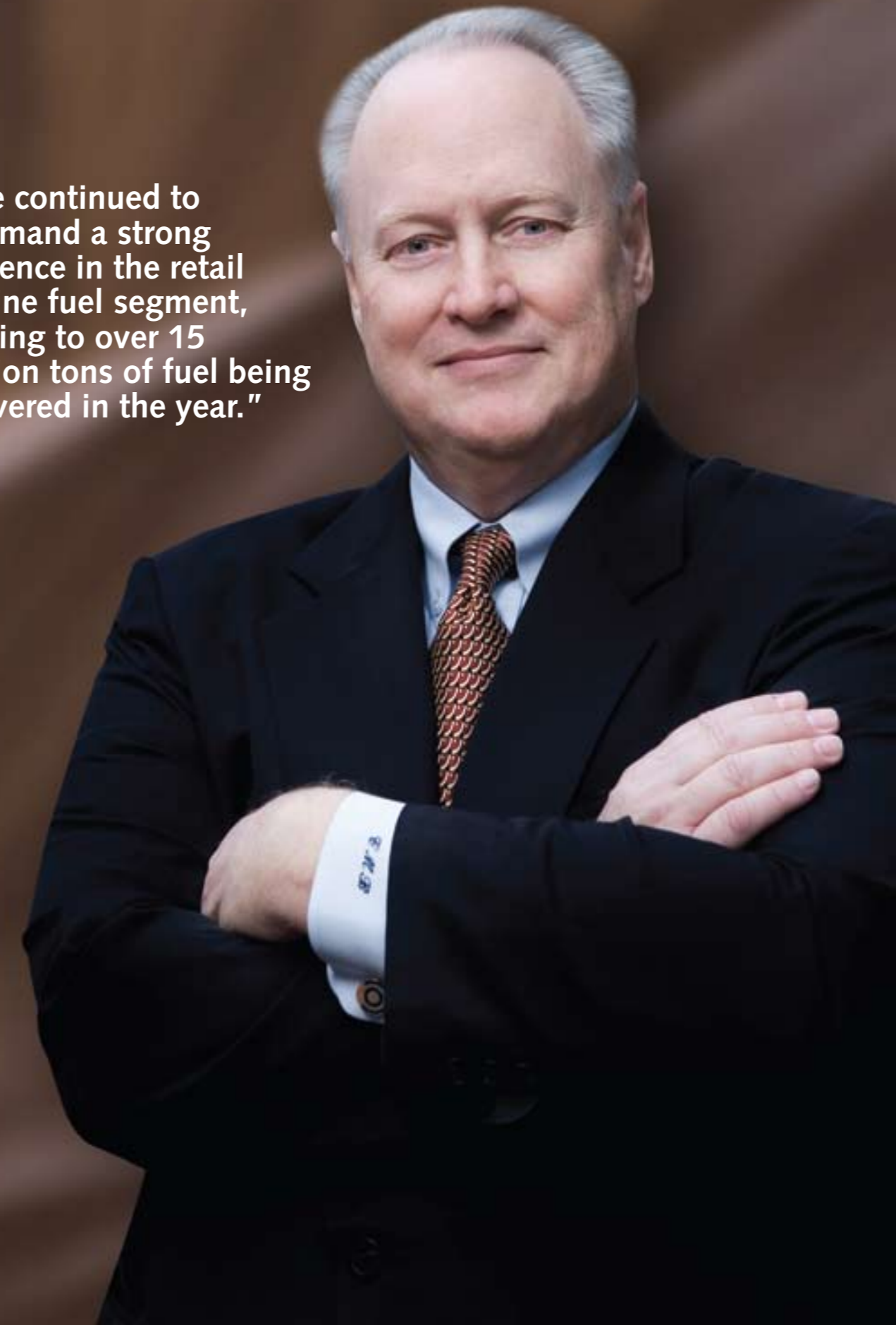
The significant volumes we moved in the marine fuel market are a reflection of our ability to adjust our sales mix toward a more favorable combination. Against the decline in our total volumes, our retail bunker segment grew 6%. Operations on the US West Coast also performed well, as did our worldwide terminal assets, a testament to the dependability of Chemoil's integrated supply chain which will remain the focus of our Group.

Our overall performance has produced for us profit after tax attributable to owners of the company of US\$11.5 million. While this figure is disappointing when compared to previous years' results, viewed from the perspective of current global conditions, especially the negative effects on the shipping industry, it is evidence of Chemoil's ability to generate positive earnings under the worst economic conditions the world has seen in the last quarter century.

A Time of Transition

Last year, Chemoil continued to reinforce our internal processes to instill a climate of transparent reporting and strengthen our stature as an established growth-oriented public company. The Silver Award for Best Managed Board at the Singapore Corporate Awards in 2009 is testimony to the quality of our Board members and the company's commitment to transparency and strong leadership. We continue to make significant strides in our evolution from a privately run enterprise to a well managed public company.

"We continued to command a strong presence in the retail marine fuel segment, leading to over 15 million tons of fuel being delivered in the year."



Chairman's Letter

Our risk management team continues to fortify our trading and risk management procedures. Our new trading and risk management platform gives us accurate global information in real time so that we can make informed decisions with greater precision and speed. Recognizing the increased risk faced by our business last year, we created a dedicated credit department tasked specifically to assess and monitor customer credit. Our associates and joint ventures also continue to optimize their operations, which I am happy to say yielded positive results, manifesting in strong performances from IPC (USA) Inc, Galaxy Energy Group Ltd (Galaxy) and Burando Holding BV (Burando). Strengthened by the successful first year of operation of Chemoil-Adani Pte Ltd (ChemoilAdani), our JV in India, and the promising expansion plans of GPSChemoil LLC (FZC) (GPSChemoil), our storage JV in Fujairah, our associates and joint ventures as a group demonstrate the importance of our partnership approach to growth.

Transformation Through Key Partnerships

We have one of the industry's most experienced and dynamic management teams, who have always embraced change to suit our strategies and goals. Looking back over our history, it is easy to see a recurring pattern of change as Chemoil drove our reinvention every year, and 2009 has

been no different. It has simply been business as usual, albeit set against the backdrop of an unusually challenging economic climate.

2009 was a year in which we actively sought out key strategic partners and owners for the company. The selection of Glencore International AG by the Chandran Family as our new major shareholder represents our biggest transformation to date, but one which we welcome for the benefits the expanded relationship will bring to the company. Although our business models are different, there are many areas where we complement each other and significant synergies should be realized as we continue to optimize Chemoil's unique business model with the capabilities of our new shareholder. The substantial investment made by Glencore in our company is a mark of the confidence they have in Chemoil, and can only serve to improve Chemoil's sustainability.

Bolstered by Strong Support

I would be remiss if I did not take this opportunity to thank the family of our founder, the late Bob Chandran, for their unwavering commitment and support. Their selection of Glencore was the culmination of a thoughtful and deliberate process which is entirely consistent with the

transformational leadership Bob instilled in all who were associated with Chemoil.

My personal thanks go also to our 2009 award-winning Board for their strong directorship and contributions over the year. With the same high standard set by our Board, I extend a warm welcome to Raymond Joseph Bartoszek, Mark Jonathan Catton, and Alexander Frank Beard, our three new Nominee Directors from Glencore. The depth of their experience in the oil sector as well as the global operating environment lends significant support to the Chemoil Board as we take on the future. I look forward to working closely with them to help drive Chemoil's growth.

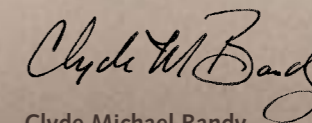
The Next Wave Forward

We enter the new decade with an optimism tempered with the appropriate amount of caution, exercising vigilance especially in the area of customer credit and counterparty risk. This is particularly important as we continue to experience growth in the retail bunker segment.

We remain steadfast to our goal of extending our footprint and supply chain globally, and I believe, with our partnership approach, that there are many growth opportunities for market development, product extension, and supply chain

optimization. These opportunities cannot be leveraged into success stories without our dedicated employees. It is their ongoing hard work and dedication that ensures that Chemoil will continue to deliver in the years ahead. My sincere gratitude goes to every member of our global staff, and I encourage our employees to once more be instruments of a positive transformation for Chemoil.

Finally, I extend my special thanks to all our shareholders, customers, and business partners for having faith in us. Their continued support rendered over what has been a very challenging year has provided the foundation upon which our enterprise continues to take root. We are invigorated at Chemoil, and raring to go forward in 2010, piloted by our nearly three decades of commitment to delivering milestones of growth.



Clyde Michael Bandy
Chairman & CEO

OUR THREE DECADES OF COMMITMENT TO DELIVERING MILESTONES OF GROWTH



Board of Directors

In good company



Philip Calvin Anderson, PhD
Independent Director

Michael Lim Choo San
Lead Independent Director

Peter Michael Meade
Independent Director

Clyde Michael Bandy
Chairman and Chief Executive Officer

Masanobu Takagi
Non-Executive Director

Fuminobu Oda
Non-Executive Director

Sharon Stacey Johnston Chandran¹
Non-Executive Director

Vivian Pearl Johnston Chandran¹
Non-Executive Director

Harrison Chang¹
Non-Executive Director

Raymond Joseph Bartoszek²
Non-Executive Director

Alexander Frank Beard²
Non-Executive Director

Mark Jonathan Catton²
Non-Executive Director

1. See page 42 for effective date of resignation

2. See page 42 for effective date of appointment

A winning team

Our Board continues to write a history of excellence and was lauded in 2009 by the Singapore Corporate Awards for its transparency, accountability, performance, and good processes and practices.



Board of Directors

Philip Calvin Anderson, PhD Independent Director

Philip Anderson is the INSEAD Alumni Fund Professor of Entrepreneurship and Academic Director of INSEAD's Abu Dhabi Center. From 2005 to 2009, he was Director of The Rudolf and Valeria Maag International Center for Entrepreneurship. He has taught at Cornell University and the Amos Tuck School of Business, Dartmouth College. His co-authored book "Inside the Kaisha: Demystifying Japanese Business Behavior" was named the Booz Allen & Hamilton/Financial Times Global Business Book of 1997 for Industry Analysis/Business Context. Mr Anderson obtained his Bachelor of Science in Agricultural Economics from the University of California at Davis, and received his PhD in Management of Organizations from Columbia University.

Michael Lim Choo San Lead Independent Director

Michael Lim is Chairman and Director of Nomura Singapore Limited, and Chairman of

the Land Transport Authority of Singapore. He also holds directorships in Olam International Limited and PSA International Pte Ltd. He is a member of the Public Service Commission, the Legal Service Commission and the National Technological University Board of Trustees, and was previously Executive Chairman of PricewaterhouseCoopers Singapore. Mr Lim holds a Bachelor of Commerce and Administration from the Victoria University of Wellington in New Zealand. He is a Chartered Accountant with the Institute of Chartered Accountants of New Zealand and a Fellow of the Institute of Certified Public Accountants of Singapore.

Peter Michael Meade Independent Director

Peter Meade is Chairman and Independent Director of OceanConnect Holdings Inc, a worldwide brokerage for marine fuel, gas oil, clean products, biofuel and risk management services. Prior to this, he was Vice President and Chief

Financial Officer of Fuel and Marine Marketing LLC (FAMM) from 1998 to 2002. He held various management, financial and treasury roles in Texaco after embarking on his career in 1980, the last of which was Assistant General Manager of the Marine Lubricant Group. He has also worked at General Foods Corporation and Chase Manhattan Bank. He holds a BA in Liberal Arts from Saint Leo University and an MBA in Finance from Long Island University.

Clyde Michael Bandy Chairman and Chief Executive Officer

Mike Bandy is an oil industry veteran with over 39 years' experience. After 27 years with Texaco, in 1997 Mr Bandy was appointed President and Director of Fuel and Marine Marketing LLC, a major supplier of marine fuels and lubricants. From 2001 to 2004, he served as President of Global Trading at Chevron where he successfully merged the global trading platforms of Texaco and Chevron. Mr Bandy

Board of Directors

was also Chairman of global marine fuels exchange OceanConnect.com until 2006. From 2006 to 2008, he held the role of Lead Independent Director on Chemoil's Board, and continues to hold advisory roles in Lloyds (USA) and Houston Maritime Arbitrators Association. He holds a BS Engineering degree from Texas A&M University, an MBA from the University of New Mexico, and an Executive Program certificate from the University of Michigan.

Masanobu Takagi

Non-Executive Director

Masanobu Takagi is presently Chief Operating Officer of the Energy Trade Division, Itochu Corporation, having been promoted from Deputy Chief Operating Officer in 2008. He is responsible for Itochu's worldwide oil and gas trading. Since joining the company in 1979, he has held several positions in diverse roles and responsibilities for various regions worldwide: upstream oil and gas exploration, production and marketing, global crude oil trading, chartering, and personnel management. Mr Takagi holds a Bachelor of Commerce from Hitotsubashi University.

Fuminobu Oda

Non-Executive Director

Fuminobu Oda is currently Managing Director of Itochu Petroleum Co (Singapore). He

was General Manager within the International Energy Trading Department of the Energy, Metals and Minerals Company of Itochu Corporation. He has held several appointments in the Itochu Group of Companies since 1984 within Domestic Marketing, Petroleum Products, Energy Sales and Supply, and International Energy Trading sections, departments, and divisions. Mr Oda holds a Bachelor of Economics from Hiroshima University.

A HISTORY OF EXCELLENCE

The Chandran family has been central to our growth through the inspired leadership of our founder Bob Chandran.

We extend our heartfelt thanks to the Chandrans for their invaluable contributions to Chemoil over the years.

Vivian Pearl Johnston Chandran

Non-Executive Director

Vivian Chandran has been a director of various companies within the Chemoil Group. She holds a Master of Arts degree in Transformative Learning and Change, and a Master of Arts degree in Organization Development and Transformation from the California Institute of Integral Studies. She was an

active board member within March of Dimes, and President and Board Member of the Asian American Women's Alliance in the San Francisco Bay Area.

Sharon Stacey Johnston Chandran

Non-Executive Director

Sharon Chandran has held multiple directorships and various posts among Chemoil subsidiaries and joint venture companies since joining the Chemoil Group in 1999. She served in the Americas as Ship Chartering and Operations Manager from 2006 to 2008, as Trader of Middle Distillates from 2005 to 2006, and as Cargo Operations Manager from 2002 to 2005. From 1999 to 2001, Ms Chandran helmed several positions including Assistant Treasurer, Sales and Marketing Representative, European Cargo Operator, and Treasurer. She attended the University of California at Berkeley with emphasis in Sociology and Psychology.

Harrison Chang

Non-Executive Director

Harrison Chang is currently Managing Director of Golden Gate Investment Management, part of Li & Fung Limited, a Hong Kong-listed multinational provider of overseas supply chain management and product sourcing for major consumer brands. Moving internally into this role in 2005 from the position of Vice President of LF International,

the former US private equity arm of Li & Fung, he managed the successful turnaround of two wholly-owned subsidiaries in England and Germany, and a marketing services cost center in the USA. Prior to joining Li & Fung in 1994, Mr Chang worked in the financial arena for companies such as Deloitte, Goldman Sachs, and Coopers & Lybrand. He has an MBA from Stanford University, an MS from New York University, and a BA from Yale University.

A PROMISING FUTURE

With Glencore's strength and breadth of expertise across various industries, including the energy sector, we look forward to a rewarding collaboration as we move into a new phase of growth.

Raymond Joseph Bartoszek

Non-Executive Director

Raymond Joseph Bartoszek has 17 years of experience in the energy sector, working in successive positions in refinery process engineering, economics, and trading. He entered the industry as a fuel oil trader with Texaco in 1991, serving in various office locations including New York, London, and Houston. In 1997, he joined Glencore Ltd as a fuel oil trader. In 2004, Mr Bartoszek

took on the position of Head of Oil for the Americas, helming Glencore Ltd's Oil trading activities including Crude Oil, Fuel Oil, Middle Distillates, Gasoline, LPG, Natural Gas, Derivatives and Shipping. Mr Bartoszek holds a Bachelor's degree from the US Merchant Marine Academy, Kings Point, NY, and has a Master of Business Administration from Rensselaer Polytechnic Institute, Troy, NY.

Alexander Frank Beard

Non-Executive Director

Alexander Frank Beard is Glencore's Global Head of Oil, and has more than 20 years of experience in the industry. After five years with British Petroleum's Crude Oil Department, he joined Glencore UK Ltd in 1995. For the next 13 years, Mr Beard specialized in his position as a FSU Trading Manager. In 2007, with extensive experience garnered, he was appointed to his current role as Global Head of Oil, leading Glencore's activities in Oil and Product Trading and Investments. Mr Beard holds an MA (Hons) in Biochemistry awarded by Christ Church, Oxford.

Mark Jonathan Catton

Non-Executive Director

Mark Jonathan Catton is currently the Managing Director of Glencore Singapore Pte Ltd.

Executive Officers and Management



Jerome Lazatin Lorenzo
Chief Financial Officer

Jerome Lorenzo has served as Chemoil's Chief Financial Officer since 2006.

He has helmed various positions in the Chemoil Group, including General Manager of Chemoil subsidiary Berkshire Energy Ltd from 2002 to 2006, Director of Chemoil Europe BV from 2000 to 2002, Head of Finance of Chemoil Corporation from 1998 to 2000, and Treasurer of Chemoil Corporation from 1997 to 1998.

Mr Lorenzo received his BS degree in Finance and Real Estate from California State University of Northridge and his Master of Business Management degree from the Asian Institute of Management.

Adrian Hugh Tolson
Vice President,
Sales and Marketing

Adrian Tolson has been Vice President of Sales and Marketing of Chemoil since 1994.

Prior to this, he was Marketing Manager and also Managing Director of Chemoil subsidiary Kemoil Limited in Hong Kong. Before joining Chemoil in 1986, Mr Tolson handled marketing and sales of Wine World Inc., a producer and supplier of wines. Mr Tolson received his Bachelor of Commerce degree from Edinburgh University.

Sanjay Anand
Managing Director,
Asia & Global Logistics

Sanjay Anand was appointed Managing Director of Asia and Middle East operations in 2008, and has headed Chemoil's logistics operations since 2007. In 2003, Mr Anand started Link Marine, which provided shipping services to Chemoil before the Group acquired it in 2007. Prior to joining Chemoil, Mr Anand was Operations and Technical Director for Univan Ship Management for 11 years and Engineering Surveyor at Lloyd's Register of Shipping for 6 years.

He holds a MBA from Newcastle Business School, a Master degree in Law in International Trade with commendation from Northumbria University, and a Marine Engineering degree from the Directorate of Marine Engineering Training.

LEGAL



Helen Surh
General Counsel

SUPPLY AND DISTRIBUTION



Emilio Heredia
Vice President,
Trading, Americas



Christopher Blake Stoddard
Managing Director,
Europe



Chee Keong Teng
Senior Trader,
Asia & Middle East



Andres Eduardo Galavis Leefmans
Managing Director,
Panama

FINANCE



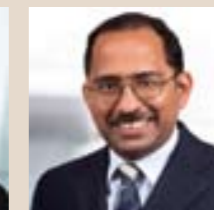
Lucius Charles Conrad
Vice President,
Administration



Vasanth Kumar
Director,
Risk Management



Raymund Murga
Director,
Corporate Finance



Vijay Nair
Group Financial
Controller

HUMAN RESOURCES



Pooja Mahalashmi Mohan
Director,
Global Human Resources

SALES, MARKETING AND COMMUNICATIONS



George Pence
Manager,
Sales & Marketing



Karen Escobar
Head,
Corporate
Communications

LOGISTICS



John Richard Beckman
Vice President,
Operations



Ravi S Anand
Terminal Manager,
Asia & Middle East



Jessie Martin
General Manager,
Shipping

2009 highlights

These increased volumes reflect Chemoil's growing presence and market share in the retail fuel segment, an achievement attributable to our strong competitive advantage and ability to optimize earnings through our integrated supply chain.

Year in Review - Financial Highlights

It is reassuring that, despite a challenging year, Chemoil's balance sheet continues to remain strong, with shareholder funds increasing to US\$304.2 million.



Clean Products Business

Strong Alliances Bear Fruit

Our gross contribution per metric ton (GCMT) decreased 17.1% to US\$6.85 per metric ton, due mainly to the tightening of fuel supplies since the third quarter 2009. However, the effects were mitigated by the reduction of several major expenses such as chartering costs, rentals on operating leases, barging and pipeline expenses, and demurrage. Against the challenging economic backdrop of 2009, Chemoil recorded a profit after tax attributable to owners of the company of US\$11.5 million. Our associates and joint ventures made meaningful contributions to these results.

Retail Bunker Volumes Reach Record Highs

Following a peak in 2008, prices of petroleum products were on average lower in 2009. As a result, our total revenue was down on the previous year, as were other line items in our financial statements such as inventories recognized as an expense and financing costs.

While our volumes for 2009 dipped 8.5% to 15.1 million metric tons as a result of the downturn in the global economy, our retail bunker volumes defied the downward trend, reaching a record high of 8.9 million metric tons, an increase of 6% from the previous year. These increased volumes reflect Chemoil's growing presence and market share in the retail fuel segment, an achievement attributable to our strong competitive advantage and ability to optimize earnings through our integrated supply chain.

Foundation for Future Growth

Higher oil prices at the end of 2009 boosted current assets, particularly our receivables and inventory, which were supported by higher levels of payables and short-term borrowing. At year end, we held total working capital of US\$143 million, and our asset turnover ratios remained within our historical run rates. Our total debt to equity ratio rose to 238% at end 2009 compared to 108% at end 2008. However, our long-term debt to equity ratio improved to 54% at end 2009, compared to 64% at end 2008. It is reassuring that, despite a challenging year, Chemoil's balance sheet remains strong, with shareholder funds increasing to US\$304.2 million.

Extending our reach

We seek to open up new channels for growth in new markets, with new products, and with strong strategic partners that enable us to work our strategy for growth.

Year in Review - Significant Milestones

Drawing on the strengths of our supply chain, we succeeded in boosting retail bunker sales to 8.9 million tons in 2009



India

Retail Bunker Sales Climb

In a year that has seen a sharp decline in the shipping industry, with container shipping particularly hit hard, we steered our focus toward the retail bunker market. Drawing on the strengths of our supply chain, we succeeded in boosting retail bunker sales to 8.9 million tons in 2009, a heartening rise of 6% on the previous year despite the current climate. This growth, stemming mainly from sales in Europe and Asia/Middle East, helped to offset the declines experienced in the Americas, the region most impacted by the economic crisis.

Mundra Port Yields Positive First-Year Results

Chemoil's joint venture bunker supply service with Adani Enterprises Limited has proven to be a strong partnership for the Group in terms of realizing our three-pronged growth strategy. The alliance adds a

strong Indian presence to Chemoil's global operation. ChemoilAdani commenced operations in Mundra Port in January 2009, and is currently the largest supplier of marine fuels in the busy Gujarat region of India. Within a short time, it has cornered close to half the market, a commendable performance for its first year. Strategically positioned near the key shipping routes of Asia, the Middle East, Europe and Africa, Mundra Port enables Chemoil to expand to other Indian ports to tap on the vast potential of India's marine fuel market. An obvious target for us in the region is the booming petroleum industry in Gujarat, which includes some of the largest refineries in the world.

Given the success of the first half-year of operations, and as a continuation of our market expansion strategy, ChemoilAdani started bunker fuel sales mid-year at Mumbai Port and Chennai Port, and intends to continue its Pan-Indian growth plans, exploring the market potential of other ports in the country.

Keeping Internal Controls Ship-Shape

As we continue to develop our strategy for growth, we ensure that our internal processes are aligned to enable us to deliver our long-term business goals and maximize shareholder value. In 2009, we continued to improve upon our internal controls and systems, reinforcing our strong internal control policies and culture.

Year in Review - Significant Milestones



Fujairah Expansion Makes Headway

With Phase 1-3 of the Fujairah storage terminal completed in December 2008, we commenced Phase 4 in 2009. Construction is progressing despite delays in our debt financing, due to the banking crisis in late 2008 and compounded by Dubai's debt restructuring in 2009. Completion of Phase 4 will add 580,000 cubic meters of storage capacity to the existing 94,000 cubic meters.

In 2009, we completed a smooth migration to a new single trading and risk management platform that offers improved features and functionality. This was an important enhancement to our control system, as was the improvements made to our quantitative analysis model, which we continue to test.

In a bid to sustain our robust financial and risk management strategy, Chemoil created a dedicated credit risk management team headed by an experienced shipping analyst, reaffirming our commitment to managing risks in a volatile climate.

Additional Bank Credit Secured

As the recession deepened in 2009, many companies struggled to obtain the credit facilities needed to ride out the financial storm. With Chemoil's excellent banking relationships and credit history, we not only maintained our banking relationships in these turbulent times, but managed to secure an additional US\$355 million in trade financing facilities from a number of major European banks. This brings our total short-term trade financing facilities to approximately US\$2.3 billion as at the end of 2009.



Forbes Global 2000

Chemoil's appearance on the Forbes Global 2000 list in what has been a challenging year was a welcomed accolade. Forbes ranks the world's largest companies using an equal weightage of sales, profits, assets and market value.

Best Managed Board

Chemoil clinched the silver award for Best Managed Board at the prestigious Singapore Corporate Awards in 2009. This coveted trophy, in the market capitalization category of S\$300 million to less than S\$1 billion, is a testament to our Board's commitment, resilience and ability to steer the company to excel.

Returning to New Orleans

Following a six-year absence, Chemoil started laying the foundation last year to commence fuel deliveries in the US Gulf Coast port of New Orleans from February 2010. This important addition fits very well strategically as part of our wider offering throughout the US Gulf and Central America, and will provide our customers with more choice and flexibility when procuring bunker fuel in the region.

Year in Review - Affiliates

Our careful selection of the right partners, driven by the desire to enter new markets and improve our logistics capabilities, has proven to be a highly effective strategy for growth.



Chemoil has managed change and expanded our growth strategy throughout the years through synergistic alliances with some of the strongest players in the industry. Our careful selection of the right partners, driven by the desire to enter new markets and improve our logistics capabilities, has proven to be a highly effective strategy for growth. Our strategic partnerships have consistently delivered lucrative returns on investment and strengthened our standing within the industry. Our associates and joint ventures continued to perform well in the year and their contributions totaled US\$12 million.

Burando

Burando is a market-leading marine logistics service provider in the Amsterdam-Rotterdam-Antwerp region. The company has full or part ownership in several operations under subsidiary brands such as FTS/Hofftrans BV and Service Terminal Rotterdam. With offices in Rotterdam, Antwerp and Giswil (Switzerland), the Burando Group's main activities include inland tank

barging, and the transshipment and storage of mineral and chemical bulk goods. The Burando Group prides itself as a leader in sustainability and environmental practices.

ChemoilAdani

ChemoilAdani, a joint venture between Chemoil and Adani Enterprises Ltd, is the largest supplier of marine fuels in the busy Gujarat region. The Mundra Port is its main container and dry bulk port. ChemoilAdani controls all key stages of the marine fuel supply chain, providing exceptional value to its customers. Its varied marine fuel product offerings are all compliant with ISO8217:2005 and Marpol Annex VI.

Galaxy

Formed in 1989, Galaxy incorporates the existing oil trading activities of FBA AG. In November 2000, 50% ownership of Galaxy was acquired in equal proportions

by Itochu Corporation of Japan (Itochu) and Chemoil. Notwithstanding these changes, the business activities of Galaxy continue to be conducted by the same experienced trading and management team.

Throughout the years, Galaxy's core activities have remained that of trading, transportation and storage of physical cargoes with a focus on crude and fuel oil in the international oil markets through the worldwide distribution network of its two external shareholders, Itochu in Asia and Chemoil in the USA.

GPSChemoil

GPSChemoil was formed from a partnership between Chemoil and Gulf Petrol Supplies LLC, one of the subsidiaries of the Fujairah National Group. The joint venture company, 40 percent owned by Chemoil, was set up to develop and operate an oil storage terminal in Fujairah, United Arab Emirates.

The storage terminal currently has an operational capacity of 94,000 cubic meters of storage and is undergoing expansion in view of the significant role the port will play in the region's oil exports.

IPC (USA) Inc

IPC (USA) Inc was founded in partnership by Chemoil and Itochu Corporation of Japan and assumed the US operations of Itochu Petroleum Japan Ltd in March, 2004. Headquartered in Irvine, California, IPC (USA) Inc utilizes Chemoil and Itochu's extensive global network to supply gasoline, diesel, naphtha, and other clean fuel products in the US West Coast region.



Our driving force

Chemoil's tenacious workforce remained united and committed to achieving targeted goals for company growth.

Our People

In a year that tested our people's commitment, tenacity and resilience, Chemoil's workforce pulled together as one, proving their adaptability to unpredictable changes and remaining unfazed by the challenges that lie ahead.

Legacy of Tenacity

Our people have once again proven their value as our greatest assets. In a year marked by economic uncertainty and punctuated with market talk of a takeover bid by Glencore, Chemoil's tenacious workforce remained united and committed to achieving targeted goals for company growth.

Our employees continue to live the legacy of our founder by practising the core values of courage, entrepreneurship, and teamwork which he fostered and exemplified.

Nurturing Tomorrow's Leaders

Chemoil is led by an experienced management team that recognises the importance of bringing forward the next generation of leaders. Our talent development is focused on challenging and empowering individuals through the leadership development process, and rewarding those who excel.



Our People



20 countries, provides a rich tapestry of ideas, views and perspectives that serve to add value through the consistent and responsive delivery of our energy services to our customers.

Designed to bring out the best in our people as we prepare talents for future roles in the company, our talent development model provides equal opportunity for employees to seek lateral movement as well as vertical advancement in a geographically diverse business environment. A distinct cross-cultural team is a recurrent theme across all Chemoil offices around the world.

Strength in Diversity

We thrive on diversity at Chemoil – diversity of culture, diversity of location, diversity of perspectives. Our global workforce, comprising talents from over



and training in areas that will drive Chemoil's business forward.

Our compensation and benefits packages are instrumental to attracting and retaining the best talents in Chemoil. As such, we reward and recognize performance with globally competitive compensation and benefits packages that include an incentive program of stock options and variable bonuses for outstanding employees.

Investing in Our People

We encourage employees who express an interest in career and self development to tap into our educational fund, set up expressly for them to further their education



A sustainable future

We are committed to seeking strategic alliances that enhance our sustainability.

Sustainability

We have evolved over time, strengthening our capabilities and adapting to changing environments. We seek a sustainable growth that benefits our customers, stakeholders and our world.

Alliances for Sustainability

As a growth-oriented public company, we are committed to seeking strategic alliances that enhance our sustainability. In 2009, we sought out key strategic partners and owners for the company that would drive the business forward in alignment with our three-pronged strategy for growth. This also allows us to consistently maintain market leadership, and pioneer innovative ways to provide outstanding customer service and exceptional value to our shareholders.

A large part of our company is now owned by strong shareholders who bring with them a wealth of opportunity for expansion and synergistic collaboration. Having large international trading houses as our strategic partners in the marine oil industry can only serve to boost investor confidence and unlock the potential of greater value that is yet to come.

A Greener Environment for All

Chemoil takes its responsibilities to lower its impact on the environment very seriously. We work closely with industry peers and customers, participating in industry discussions on emissions reduction to help develop solutions toward a zero-emission marine world.

Singapore's Helios Terminal is an excellent example of the direction we are taking toward environmental protection. In its design, we pioneered the use of geo-textile layers in our tank foundation to minimize potential environmental damage, and set up our booming services to facilitate the containment of spillage. Chemoil is also at the forefront of supplying lower emission fuel products to marine fleets in Europe and the US West Coast. To further support our green objectives, all our new terminals will be able to store and handle environment-friendly fuels.

Caring for the Community

Chemoil recognizes the contributions of the communities it serves and is committed to giving back to through numerous outreach initiatives aimed at helping the needy.

One of our continued commitments is to the World Vision program, through which our employees make personal contributions to sponsor disadvantaged children in Ethiopia to ensure that their basic nutritional and educational needs are met. The Bull Charge, a charity fun run organized by the Singapore Exchange, is another annual fixture on our calendar.



Fortifying against risks

Our vigilance in managing risks is key to ensuring Chemoil's ongoing stability and vitality.

Managing Risks

We stand watch, guarding our assets against risks, with robust systems in place that ensure the channels we sail are clear.

Managing Risks

Our vigilance in managing risks is key to ensuring Chemoil's ongoing stability and vitality.

Our corporate risk management approach is driven by the core objectives to deliver our long-term business goals and maximize shareholder value. The strategy and processes we devised are aimed at swift and effective identification, measurement, control, monitoring, and reporting of risk. The process is also reinforced by a rigorous internal controls system.

Our risk management approach revolves around extracting optimal GCMT from our global supply chain operations. We hedge against the most critical financial risk – price volatility of our physical fuel oil inventory. We adopt flexibility in our hedging strategy to remain agile in various conditions.

Structure

Chemoil's governance structure for risk management comprises three levels: The Risk Management Department reports to the Executive Risk Management Committee (ERMC), which in turn reports to the Board of Directors.

Process

Our risk management process adopts a top-down approach to identifying and assessing risks. Acceptable risks are distinguished from unacceptable risks, which are either insured against or hedged.

Clearly Defined Roles

Clearly segregated roles between strategic risk takers, tactical risk takers and risk facilitators are vital to Chemoil's successful management of risks.

Our strategic risk takers represent the highest level of authority in the company and set the strategy for risks that the company will take. Our tactical risk takers make decisions at an operational level, based on the broad parameters laid out by the strategic risk takers. Our risk facilitators operate in an independent manner, facilitating communication between the tactical and strategic risk takers.

Independence in Functions

Chemoil's Risk Management Department operates with total independence under our middle office functions.

Managing Risks

Our R&D efforts keep our business abreast with the changing times. The newer models for risk control, evaluation, and management are focused on achieving better results and superior governance.



the globe. This allows for real-time monitoring of risk exposures and spontaneous management reporting round-the-clock, thereby minimizing the time gap between potential deviations and rectifications.

Chemoil conducts its risk management activities across all time zones in our global offices, with a core risk management team located in India.

Recent Developments

Our ERMC now comprises our entire leadership team. A revamped credit committee has also been formalized, for which ERMC has oversight responsibilities. The credit committee is accountable for the quality of our customer credit and management of credit and counterparty risk in these challenging economic conditions to ensure smooth business operations.

The migration to a single trading and risk management platform has been successfully implemented, thanks to the dedication and commitment of our employees. The standardization of processes and the consolidation of

the group-wide trade portfolio have had an immediate positive impact.

Consequently, various risk and analytical reporting functions are now aligned with our global standards and benchmarks. Leveraging upon the automated systems, our continued commitment in this field aims to bring about higher business values through better controls and business reporting. Our R&D efforts keep our business abreast with the changing times. The newer

models for risk control, evaluation, and management are focused on achieving better results and superior governance. Our in-house ability to design, build, test and implement them enables our immediate roll-out and proactive management of these tools.

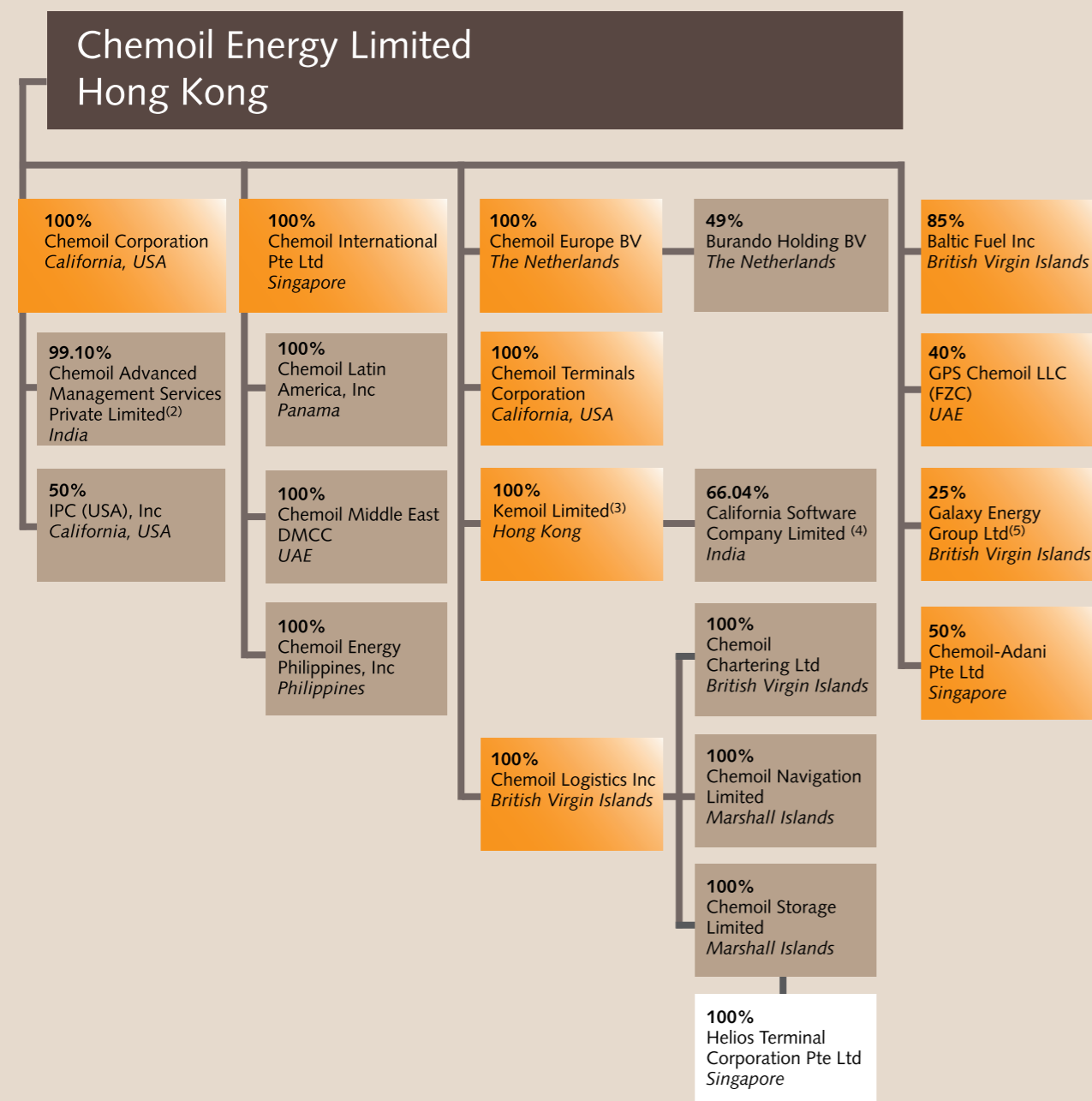
Furthermore, our focus on training and development of our employees is well synchronized with our efforts to achieve better risk control through modern tools.

It acquires information through independent channels and reports to the CFO, thereby establishing a sound control infrastructure to minimize risk exposure of the Group.

Business Continuity

Underpinning our risk management operations is our business continuity objective. Risk management operations are carried out wherever our trading, supply, and marketing activities are located around



Corporate Structure⁽¹⁾

(1) Key subsidiaries, joint ventures and associated companies.

(2) Kemoil Limited holds the remaining 0.9% ownership interest in Chemoil Advanced Management Services Private Limited.

(3) 10% ownership interest in Kemoil Limited is held by Overseas Nominees Limited on behalf of Chemoil Energy Limited.

(4) The Group, through its subsidiary, Chemoil Advanced Management Services Private Limited also holds a 1.65% ownership interest in this company, resulting in total ownership by the Group of 67.69%. This company holds ownership interest in other entities.

(5) This company holds ownership interest in other entities.

Corporate Information

Board of Directors

Chairman and Chief Executive Officer
Clyde Michael Bandy

Non-Executive:

Michael Lim Choo San (Lead Independent)
Philip Calvin Anderson (Independent)
Peter Michael Meade (Independent)
Alexander Frank Beard¹
Mark Jonathan Catton¹
Raymond Joseph Bartoszek¹
Masanobu Takagi
Fuminobu Oda

Audit Committee

Michael Lim Choo San (Chairman)
Fuminobu Oda
Peter Michael Meade

Nominating & Remuneration Committee

Philip Calvin Anderson (Chairman)
Mark Jonathan Catton¹
Peter Michael Meade

Executive Officers & Management

Clyde Michael Bandy
Chief Executive Officer

Jerome Lazatin Lorenzo
Chief Financial Officer

Adrian Hugh Tolson
Vice President, Sales and Marketing

Sanjay Anand
Managing Director, Asia and Global Logistics

Company Secretary

Karalon Limited

Representatives of the Company Secretary

Tan San-Ju

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Fax: 852-2598 7500

Singapore Share Transfer Agent

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International Auditors

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Audit Partner-In-Charge

Ooi Chee Kar

Date of Appointment

Since 2006

Bankers

Bank of America Leasing and Capital LLC
Banque Cantonale de Geneve
BNP Paribas (Suisse) SA
Canara Bank
Credit Suisse
Fortis Bank (Nederland) NV
Fortis Bank SA/NV
GE Artesia Bank
ICICI Bank Limited
ING Bank NV
ING Belgium (Brussels)
JPMorgan Chase Bank NA
Mizuho Corporate Bank, Ltd
NIBC Bank Ltd
Rabobank International
Raiffeisen Zentralbank Osterreich AG
RHB Bank Bhd
Security Bank Corporation
Sumitomo Mitsui Banking Corporation
Taiwan Cooperative Bank
The Bank of East Asia Limited
The Bank of Tokyo-Mitsubishi UFJ, Ltd
The Royal Bank of Scotland NV
UBS AG
Union Bank of California
WestLB AG

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Notes:

1. See page 42 for effective date of appointment